VZCZCXRO2940 PP RUEHCHI RUEHCN RUEHDT RUEHHM DE RUEHJA #1405/01 2040618 ZNY CCCCC ZZH P 220618Z JUL 08 FM AMEMBASSY JAKARTA TO RUEKJCS/SECDEF WASHDC PRIORITY INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY RUEHBJ/AMEMBASSY BEIJING 5230 RUEHBY/AMEMBASSY CANBERRA 2806 RUEHKA/AMEMBASSY DHAKA 1108 RUEHNE/AMEMBASSY NEW DELHI 2032 RUEHPB/AMEMBASSY PORT MORESBY 3882 RUEHUL/AMEMBASSY SEOUL 4763 RUEHKO/AMEMBASSY TOKYO 2261 RUEHWL/AMEMBASSY WELLINGTON 2867 RUEHHK/AMCONSUL HONG KONG 2823 RUEHBAD/AMCONSUL PERTH 0974 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 001405

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS NSC FOR E. PHU

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TAGS: PGOV KISL ID

REF: A. JAKARTA 1165

SUBJECT: FORMER PRESIDENT GUS DUR EFFECTIVELY LOSES CONTROL OF PARTY

1B. JAKARTA 488 AND PREVIOUS

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Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

11. (C) SUMMARY: The Indonesian Supreme Court has ruled against former President Abdurrahman Wahid--universally known as "Gus Dur"--in a case involving who controls the National Awakening Party (PKB), the political party he founded. The Court ruled that Muhaiman Iskandar, a relative of Gus Dur's and a member of parliament, now controls the party's executive board--and thus the party. At this point, there seems little that Gus Dur can do about the situation. The party itself seems to be limping toward the national legislative elections in April 2009. A poor showing would hurt the cause of those who support a more liberal brand of Islam. END SUMMARY.

AN ADVERSE RULING FOR FORMER PRESIDENT

12. (SBU) Gus Dur has suffered a serious setback in his efforts to recover control of the PKB, an Islamic-oriented party which he founded in 1998. On July 18, the Supreme Court, settling a long-running dispute, ruled that he had effectively lost control of the party. In making this ruling, the court upheld a June 12 ruling by the South Jakarta District Court, holding that Gus Dur was not in charge of the PKB's Executive Board and thus his faction was no longer in control of the party. (Note: Due to his chronic health problems, Gus Dur's faction in the PKB is led on a day-to-day basis by his daughter, Yenny Wahid.)

THE WINNER (AT LEAST FOR NOW)

13. (C) The clear winner in all this litigation was Muhaiman Iskandar, a relative of Gus Dur's who also serves as Deputy Speaker of the national legislature (DPR). It has been apparent for some time that there has been tension between Gus Dur's camp and Iskandar (see reftels). The tension between the two does not involve ideological issues--Iskandar does not seem to have any argument with Gus Dur's liberal

brand of Islam and has not indicated that he plans to take the party in a new direction. Rather, as is the case in so many Indonesian party disputes, the issue is one of power--Iskandar simply seemed to increasingly bridle under Gus Dur's leadership of the party. (Note: Gus Dur, while amiable in person, is reportedly an erratic manager and leader who can veer into the eccentric and didactic.)

14. (C) The situation came to a head in March of this year when Gus Dur moved to depose Iskandar from his position of Chair of the party. Iskandar retaliated by filing a lawsuit protesting his dismissal. Iskandar then held a meeting in early May of his supporters who promptly re-elected him head of the party (or at least his faction of it). The situation steadily became increasingly acrimonious, with both sides stridently attacking the other--Yenny Wahid, for example, accused Iskandar of corruption. In the meantime, the legal case was winding its way through the legal system, with courts--as touched on above--basically supporting Iskandar's position that he was still the Chair of the party based on his election to that post in 2005.

SLOUCHING TOWARD 2009

- 15. (C) Despite the adverse court rulings, Gus Dur has vowed to recover control of the PKB, asserting that he will never work with Muhaiman. That said, his political position in the party is not improving—there are reports that key officials and functionaries in the party are defecting from his camp over to Iskandar's.
- 16. (C) Amid this tumult, Iskandar--as leader at this point--has to prepare his party for the national legislative

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elections in April 2009. The news is not good. The party is not doing well in the polls, receiving support in the low single digits. (Note: The party received about nine percent of the vote in the 2004 elections, receiving 52 seats in the DPR. A recent poll showed the party receiving only 4.5 percent of support at this point.) In the meantime, the party and its candidates have also not done well in recent gubernatorial contests. Contacts attribute the party's problems to the months of negative press play engendered by the leadership struggle and an earlier split involving former supporters who defected to form their own party.

17. (C) Gus Dur has also indicated that he intends to run for president in 2009. It is unclear whether he will re-think his possible bid given that he has lost the support of his party. His poll numbers are also abysmal.

NOT POSITIVE NEWS FOR LIBERAL ISLAM

18. (C) All in all, the situation is not positive for PKB heading into 2009. That is potentially negative to the extent that the party is known as an advocate of a relatively liberal, tolerant brand of Islam. (Note: The party has close links to Nadhlatul Ulama, a Muslim organization, that espouses a traditionalist, moderate form of Islam.) This is juxtaposed against the apparent rise of the Prosperous Justice Party (PKS), which projects a more conservative Islamic message. While it is too early to predict what will happen in 2009, it looks like PKB--one of the key parties in the country since the democratic transition in 1998--is decidedly on the ropes.

HUME